

Message Text

UNCLASSIFIED

PAGE 01 GENEVA 13795 01 OF 03 142228Z

ACTION EB-08

INFO OCT-01 AF-10 ARA-15 EA-12 EUR-12 NEA-10 L-03
FRB-01 OMB-01 ITC-01 SP-02 ICA-20 AGRE-00 AID-05
CIAE-00 COME-00 INR-10 IO-14 LAB-04 NSAE-00
OIC-02 SIL-01 OPIC-06 STR-07 TRSE-00 CEA-01 SS-15
ISO-00 /161 W

-----031094 142322Z /13

R 141159Z SEP 78

FM USMISSION GENEVA

TO SECSTATE WASHDC 4038

INFO AMEMBASSY BRUSSELS

AMEMBASSY MANILA

AMEMBASSY PARIS

USMISSION USUN NEW YORK

UNCLAS SECTION 01 OF 03 GENEVA 13795

USEEC USOECD

E.O. 11652: N/A

TAGS: UNCTAD,EGEN

SUBJECT: UNCTAD TDB: AGENDA ITEM 6CI - SPECIAL MEASURES
IN FAVOR OF LEAST DEVELOPED COUNTRIES

REF: GENEVA 11734

1. SUMMARY: USDEL AND SEVERAL DC'S DECIDED TO MAKE
INDIVIDUAL STATEMENTS RE LLDC'S SINCE GROUP B DECIDED
TO ALLOW ITS UNCTAD/IGG JULY, 1978 STATEMENT STAND FOR
TDB REFERENCE. ELEVEN DELEGATIONS TOOK FLOOR WITH
G-77 REHASHING FAMILIAR CRITICISMS AND DEMANDS EXCEPT,
PERHAPS SIGNIFICANTLY, SPOKESMAN COMPLETELY SILENT
ON PROPOSAL OF "AUTOMATIC TRANSFERS". GROUP D DEL-
EGATIONS REPEATED STANDARD STATISTICS AND PLATITUDES
SUPPORTIVE OF LLDC'S. IT APPEARED THAT DELEGATIONS
WERE STATING OFFICIAL POSITION IN ORDER TO POSITION
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GENEVA 13795 01 OF 03 142228Z

THEMSELVES FOR OTHER FORA, I.E. 33D GA AND UNCTAD V.
END SUMMARY.

2. PRIOR TO DISCUSSION OF AGENDA ITEM AT PLENARY,
USDEL RAISED QUESTION OF APPROPRIATENESS OF GROUP B
STATEMENT ON LLDC'S DURING GROUP B WORKING GROUP
SESSION SEPT 4. CONSENSUS WAS THAT THERE WAS NO

TIME TO DRAFT A STATEMENT ACCEPTABLE TO ALL GROUP B MEMBERS SINCE ITEM DUE FOR FINAL DISCUSSION ON SEPT 5. MOST MEMBERS FELT THAT JULY UNCTAD IGG GROUP B STATEMENT WAS ADEQUATE AND AVAILABLE TO ALL TDB PARTICIPANTS. ACCORDINGLY, USDEL AND SEVERAL OTHERS PLANNED, WITH GROUP B CONCURRENCE, TO MAKE INDIVIDUAL STATEMENT ON LLDC'S.

3. ELEVEN DELEGATIONS SPOKE ON THE AGENDA ITEM: GROUP 77 (BANGLADESH) USSR, BANGLADESH, SWEDEN (FOR FINLAND AND NORWAY), USA, EEC 9 GROUP, ETHIOPIA, GDR, CZECHOSLOVAKIA, MALI, AND VENEZUELA. SOME OF THE PRINCIPAL POINTS MADE FOLLOW:

A. GROUP 77: THERE IS INCREASING RECOGNITION THAT GENERAL POLICY MEASURES IN CONTEXT OF INTERNATIONAL DEVELOPMENT STRATEGY, EVEN IF FULLY IMPLEMENTED, ARE NOT LIKELY TO OVERCOME THE STRUCTURAL DIFFICULTIES FACING THE LLDC'S; SPECIAL MEASURES IN FAVOR OF LLDC'S HAVE BEEN INEFFECTIVE AS INDICATED BY THEIR CONTINUED ECONOMIC STAGNATION PER CAPITA. GDP DECLINED DURING PERIOD 1970-1977. SMALL IMPROVEMENT RESULTING FROM FLOW OF CONCESSIONAL FINANCIAL ASSISTANCE HAS BEEN COMPLETELY OFFSET BY LOWER EXPORT RECEIPTS. IF DAC COUNTRIES HAD MET THEIR .7 PERCENT TARGET IN 1976, ODA TO THE LLDC'S WOULD HAVE REACHED APPROXIMATELY UNCLASSIFIED

UNCLASSIFIED

PAGE 03 GENEVA 13795 01 OF 03 142228Z

\$5 BILLION VIS-A-VIS AN ACTUAL LEVEL OF \$2.2 BILLION. LIKEWISE, IF SOCIALIST COUNTRIES HAD DONE THE SAME IT WOULD HAVE MEANT A FURTHER \$1 BILLION FLOW TO LLDC'S. CERTAIN RECOMMENDATIONS OF THE DONOR/RECIPIENT MEETING, I.E. PROVIDING ASSISTANCE ON A 100 PERCENT GRANT BASIS, TOTAL UNTYING OF AID, ETC. ARE VITAL FOR ACHIEVING ACCELERATED DEVELOPMENT IN LLDC'S. GROUP 77 REQUESTS TDB TO CALL UPON DC'S TO IMPLEMENT THE RECOMMENDATIONS OF THAT MEETING AS WELL AS THE IGG RECOMMENDATIONS. (STATEMENT FORWARDED SEPAIRGRAM).

B. USSR: USSR HAS LONG-TERM TRADE IN ECONOMIC AGREEMENTS WITH LLDC'S RESULTING IN GROWTH OF TRADE AND COOPERATION BETWEEN USSR AND LLDC'S. 1977 TRADE BETWEEN THEM WAS 2.4 TIMES GREATER THAN IN 1970. USSR DOES NOT SHARE IN OWNERSHIP, MANAGEMENT OR BENEFITS OF AID TO LLDC'S. IN FACT, IT IMPORTS A SHARE OF LLDC NEW ENTERPRISES' PRODUCTS AND HELPS IN EXPORT OF THOSE PRODUCTS TO OTHER COUNTRIES. USSR HELPS LLDC'S EXPLOIT THEIR NATURAL RESOURCES, CREATES NATIONAL HEALTH SERVICES, EXPANDS AGRICULTURE AND TRAINS PERSONNEL. IT ENDORSES RECOMMENDATIONS OF BOTH IGG AND DONOR RECIPIENT MEETINGS.

C. BANGLADESH: FULLY SUPPORTS STATEMENT OF GROUP 77;
RECOGNIZES NEED FOR A SEPARATE DIVISION FOR DEALING
WITH LLDC'S PROBLEMS. UNCTAD IS FOCAL POINT FOR TRADE
AND DEVELOPMENT THUS SHOULD BE EQUIPPED TO IMPLEMENT
LLDC PROGRAMS. RECOMMENDS SEPARATE AGENDA ITEM FOR
LLDC'S AT UNCTAD V CONFERENCE.

D. SWEDEN (FOR FINLAND AND NORWAY): POOREST LLDC'S
ARE MOST IN NEED OF ASSISTANCE; RELATIVELY WELL OFF
LLDC'S SHOULD BECOME DONORS OR AT LEAST GIVE UP THEIR
IPF'S FROM UNDP. SWEDEN WROTE OFF ALL DEBTS FROM

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 GENEVA 13795 02 OF 03 142230Z
ACTION EB-08

INFO OCT-01 AF-10 ARA-15 EA-12 EUR-12 NEA-10 ISO-00
L-03 FRB-01 OMB-01 ITC-01 SP-02 ICA-20 AGRE-00
AID-05 CIAE-00 COME-00 INR-10 IO-14 LAB-04
NSAE-00 OIC-02 SIL-01 OPIC-06 STR-07 TRSE-00
CEA-01 SS-15 /161 W

-----031144 142322Z /13

R 141159Z SEP 78
FM USMISSION GENEVA
TO SECSTATE WASHDC 4039
INFO AMEMBASSY BRUSSELS
AMEMBASSY MANILA
AMEMBASSY PARIS
USMISSION USUN NEW YORK

UNCLAS SECTION 02 OF 03 GENEVA 13795

USEEC USOECD

LLDC'S ON JULY 1, 1978. FINLAND HAS DECIDED TO ASK
ITS PARLIAMENT TO WRITE OFF LLDC DEBTS AND NORWAY HAS
GIVEN ALL ITS ASSISTANCE IN THE FORM OF GRANTS; THUS,
IT HAS NO DEBTS TO CANCEL.

E. USA: TEXT OF STATEMENT FOLLOWS: QUOTE: MR CHAIRMAN
THE UNITED STATES GOVERNMENT PLACES A HIGH PRIORITY ON
ASSISTING THE DEVELOPMENT EFFORTS OF THE LEAST DEVELOPED
COUNTRIES. WE HAVE TAKEN A NUMBER OF CONCRETE POLICY
MEASURES BOTH IN OUR BILATERAL DEVELOPMENT ASSISTANCE
PROGRAMS AND IN MORE GENERAL INTERNATIONAL ECONOMIC

POLICIES TO ASSURE THAT PARTICULAR ATTENTION IS GIVEN
TO ASSURE THAT PARTICULAR ATTENTION IS GIVEN TO THE
CONCERNS OF THOSE COUNTRIES.

WITH RESPECT TO OFFICIAL BILATERAL DEVELOPMENT ASSIST-
ANCE, WE HAVE STEADILY INCREASED BOTH THE QUALITY AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GENEVA 13795 02 OF 03 142230Z

QUANTITY OF OUR HELP. THIS FISCAL YEAR OUR BILATERAL
DEVELOPMENT ASSISTANCE TO THE LEAST DEVELOPED COUNTRIES
WILL TOTAL \$192 MILLION AND IF FOOD ASSISTANCE IS
INCLUDED, WILL TOTAL NEARLY \$350 MILLION. WE HAVE ASKED
THE CONGRESS FOR A FURTHER INCREASE IN BILATERAL DEVELOP-
MENT ASSISTANCE OF 38 PERCENT FOR FISCAL YEAR 1979.
SUCH AN INCREASE IS ALSO CONSISTENT WITH THE US COMMIT-
MENT AT THE CONFERENCE ON INTERNATIONAL ECONOMIC
COOPERATION TO CONTRIBUTE \$375 MILLION TO A SPECIAL
ACTION PROGRAM FOR LOW INCOME COUNTRIES.

VIRTUALLY ALL OUR BILATERAL DEVELOPMENT ASSISTANCE TO
THE LEAST DEVELOPED COUNTRIES IS ON A GRANT BASIS.
FURTHERMORE, OUR FOREIGN ASSISTANCE LEGISLATION PROVIDED
FOR PARTICULARLY LIBERAL ADMINISTRATIVE PROCEDURES FOR
THE LEAST DEVELOPED COUNTRIES, INCLUDING UNTYING OF
ASSISTANCE, EXTENDED DURATION OF PROJECTS AND MINIMAL
REQUIREMENTS REGARDING HOST COUNTRY CONTRIBUTION TO
PROJECTS. IN KEEPING WITH OUR COMMITMENTS AT THE
MINISTERIAL LEVEL MEETING OF THE TRADE AND DEVELOPMENT
BOARD LAST MARCH, WE HAVE ENCOURAGED LEGISLATION WHICH
WOULD ALLOW THE PRESIDENT TO FORGIVE THE INTEREST OWED
BY THE LEAST DEVELOPED COUNTRIES FOR PAST OFFICIAL
DEVELOPMENT ASSISTANCE, AND TO ALLOW SUCH COUNTRIES TO
PAY THE PRINCIPAL ON THOSE DEBTS INTO LOCAL CURRENCY
ACCOUNTS FOR DEVELOPMENT PROJECTS. THIS LEGISLATION
SHOULD BECOME LAW BEFORE THE END OF THIS MONTH.

OTHER DEVELOPMENT RELATED POLICIES OF MY GOVERNMENT ARE
AIMED AT SUPPORTING THE DEVELOPMENT REQUIREMENTS OF THE
LEAST DEVELOPED COUNTRIES. WE HAVE URGED POLICIES IN
THE INTERNATIONAL DEVELOPMENT BANKS WHICH WOULD ENCOURAGE
HIGHER INCOME DEVELOPING COUNTRIES TO FORGO USE OF SOFT
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 GENEVA 13795 02 OF 03 142230Z

LOAN WINDOWS, THEREBY FREEING MORE HIGHLY CONCESSIONAL
RESOURCES TO THE LOW INCOME COUNTRIES. THE US GENERAL-
IZED SYSTEM OF PREFERENCE SCHEME CONTAINS A COMPETITIVE

NEED FORMULA, WHICH IS AIMED AT ASSURING THAT PREFERENCES ARE RESERVED TO THOSE COUNTRIES WHICH STILL NEED THEM. IN THE MTN, WE HAVE OFFERED TO USE OUR FULL TARIFF CUTTING AUTHORITY AT SIXTY PERCENT OVER THREE-QUARTERS OF THE DUTIABLE TRADE WE HAVE WITH THE LEAST DEVELOPED COUNTRIES. THE OVERSEAS PRIVATE INVESTMENT CORPORATION, WHICH GUARANTEES US INVESTMENT IN DEVELOPING COUNTRIES, IS UNDER INSTRUCTION TO INCREASE ITS ACTIVITIES IN THE LOWEST INCOME DEVELOPING COUNTRIES.

MR. CHAIRMAN, WE BELIEVE STRONGLY THAT THE INTERNATIONAL EFFORT TO ASSIST THE LEAST DEVELOPED COUNTRIES IS ONE IN WHICH COUNTRIES FROM ALL THE GROUPS IN UNCTAD CAN AND SHOULD PLAY A POSITIVE ROLE. WE BELIEVE THAT THE CONCERNS OF THE LEAST DEVELOPED COUNTRIES SHOULD BE ADDRESSED BY ALL DIVISIONS OF UNCTAD IN THEIR WORK PROGRAMS. WE ALSO LOOK FORWARD TO THE INSCRIPTION OF THIS ISSUE AS A SEPARATE ITEM ON THE UNCTAD V AGENDA AS AN OPPORTUNITY TO REVIEW PROGRESS MADE IN OUR GOAL OF ASSISTING THE LEAST DEVELOPED COUNTRIES, AND TO DISCUSS ANY NEW MEASURES WHICH MAY BE DEEMED APPROPRIATE.

F. EEC-9. AWARE OF LLDC PROBLEMS AND EFFORTS ARE BEING MADE TO ASSIST THEM I.E. EXPANSION OF FOOD AID, ETC. ALTHOUGH INCREASE IN OVERALL ASSISTANCE EFFORT IS REQUIRED, THERE IS NEED TO CONSIDER PRIORITIES. TRANSPORT, COMMUNICATION AND DEVELOPMENT OF ALTERNATIVE SOURCES OF ENERGY ARE SOME OF AREAS TO FOCUS ON. UNCTAD MIGHT CONSIDER EXAMINING WHY SEVEN LLDC'S HAVE BEEN ABLE TO GROW FASTER IN 1970S THAN OTHERS.

G. ETHIOPIA: TDB SHOULD EXAMINE WHETHER DECISIONS AND

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 GENEVA 13795 03 OF 03 142231Z
ACTION EB-08

INFO OCT-01 AF-10 ARA-15 EA-12 EUR-12 NEA-10 ISO-00
L-03 FRB-01 OMB-01 ITC-01 SP-02 ICA-20 AGRE-00
AID-05 CIAE-00 COME-00 INR-10 IO-14 LAB-04
NSAE-00 OIC-02 SIL-01 OPIC-06 STR-07 TRSE-00
CEA-01 SS-15 /161 W

-----031192 142324Z /13

R 141159Z SEP 78
FM USMISSION GENEVA
TO SECSTATE WASHDC 4040

INFO AMEMBASSY BRUSSELS
AMEMBASSY MANILA
AMEMBASSY PARIS
USMISSION USUN NEW YORK

UNCLAS SECTION 03 OF 03 GENEVA 13795

USEEC USOECD

RECOMMENDATIONS IN FAVOR OF LLDC'S HAVE BEEN IMPLEMENTED;
SHOULD ALSO LOOK AT WHAT DIFFERENT DIVISIONS OF UNCTAD
ARE DOING FOR THE LLDC'S IN THEIR AREAS OF COMPETENCE
WITHIN MTN FRAME WORK. DC'S SHOULD COMPLY WITH REMOVAL
OF NON TARIFF BARRIERS ON LLDC PRODUCTS WHICH THEY
UNANIMOUSLY AGREED TO DO. UNCTAD SHOULD FIND SOME WAY
TO PREVENT VALUE OF LLDC EXPORT EARNINGS FROM BEING
ERODED THROUGH INFLATION OF DEPRECIATION OF MAJOR
CURRENCIES. SOME UNCTAD DIVISIONS DO NOT HAVE SPECIAL
FOCUS ON LLDC AND THEY FEEL ESPECIALLY DISCRIMINATED
AGAINST IN FINANCIAL DIVISION OF UNCTAD.

H. CZECHOSLOVAKIA AND GDR GAVE USUAL PLATITUDINAL
STATEMENTS SUPPORTING LLDC'S, ESPECIALLY EXPANSION OF
SUPPORT TO THEIR PUBLIC SECTORS.

I. MALI: DC'S HAVE EXHIBITED LACK OF POLITICAL WILL
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GENEVA 13795 03 OF 03 142231Z

TOWARD ASSISTING THE -LDC'S. DC'S SHOULD DOUBLE ASSIST-
ANCE TO LLDC'S AND REJECT FALSE CLAIM THAT ABSORPTION
CAPACITY OF LLDC'S IS TOO LOW TO DO SO. LLDC NEEDS
ARE SO GREAT THAT WHATEVER FUNDING RECEIVED CAN BE
ABSORBED RAPIDLY. AS LAND LOCKED COUNTRY AFFECTED ALSO
BY THE RECENT DROUGHT, SPECIAL ASSISTANCE TO MALI BY
THE INTERNATIONAL DONOR COMMUNITY IS VERY MUCH APPRECI-
ATED. HOWEVER, STRUCTURAL ECONOMIC PROBLEMS ARE HARDER
TO COMBAT. FINALLY, MALI CONGRATULATES FEW DC'S WHO
HAVE AGREED TO WRITE OFF MALI'S DEBTS.

J. VENEZUELA: IMMEDIATE ACTION IS NEEDED TO SOLVE
LONG TERM STRUCTURAL PROBLEMS OF THE SAHEL. SPECIAL
PROGRAM TO GENERATE INTERNAL STIMULI ADVOCATED.
RELUCTANCE OF INDUSTRIAL COUNTRIES TO AGREE TO SPECIFIC
MEASURES FOR LLDC'S AT THE LAST IGG IS DEPLORABLE.
ASSISTANCE TO LLDC'S IS RESPONSIBILITY OF THE ENTIRE
INTERNATIONAL COMMUNITY. HOWEVER MOST OF THE RESPONSI-
BILITY SHOULD BE BORNE BY INDUSTRIAL COUNTRIES.

4. COMMENT: AS REPORTED IN REFTEL ON UNCTAD/IGG MEETING
JULY 17-28, 1978, G-77 SPOKESMAN CONTRASTED PERFORMANCE

OF DC'S WITH PROMISE OF UNCTAD IV. SPOKESMAN WAS
AHMAD OF BANGLADESH WHO, PERHAPS SIGNIFICANTLY, DID NOT
MENTION "AUTOMATIC TRANSFERS" IN PREPARED TEXT ALTHOUGH
LITANY OF OTHER G-77 CRITICISMS AND DEMANDS REMAIN
VIRTUALLY UNCHANGED. ETHIOPIAN DELEGATION WAS PERSISTENT
IN PUSHING FOR STRONG SUPPORTIVE STATEMENT FROM USDEL
RE LLDC'S AND MADE LONG, SOMEWHAT RAMBLING STATEMENT OF
ITS OWN QUITE CRITICAL OF UNCTAD'S LACK OF ATTENTION TO
LLDC'S. OVERALL ATMOSPHERE OF DISCUSSIONS WAS CALM.
IT APPEARED MOST SPEAKERS WERE METHODICALLY RECITING
THEIR OFFICIAL POSITIONS IN ORDER TO POSITION THEMSELVES
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 GENEVA 13795 03 OF 03 142231Z

FOR OTHER FORA I E. 33RD GA AND UNCTAD V. VANDEN HEUVEL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, MEETING REPORTS, INTERGOVERNMENTAL COOPERATION, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA13795
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780374-1200
Format: TEL
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780968/aaaacdvn.tel
Line Count: 350
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 116bb350-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 11734
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1437556
Secure: OPEN
Status: NATIVE
Subject: UNCTAD TDB: AGENDA ITEM 6CI - SPECIAL MEASURES IN FAVOR OF LEAST DEVELOPED COUNTRIES
TAGS: EGEN, UNCTAD
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/116bb350-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014